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*Jeffrey M. Nelson*  
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April 3, 2018

**VIA ELECTRONIC FILING**

Jocelyn G. Boyd, Esquire  
Chief Clerk & Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, South Carolina 29210

Re: Motion for Modification of Rate Schedule without Hearing Palmetto Utilities, Inc. and Palmetto Wastewater Reclamation, LLC  
**Docket No. 2017-381-A**

Dear Ms. Boyd:

The Office of Regulatory Staff ("ORS") has reviewed the Motion filed by Palmetto Utilities, Inc. and Palmetto Wastewater Reclamation, LLC (collectively known as "Palmetto") in the above referenced Docket. ORS does not object to the request.

Palmetto's Motion is made in response to ORS's recommendation to require utilities to report the anticipated effect of the Tax Cuts and Jobs Act ("Tax Act"), including the impact on Contributions in Aid of Construction ("CIAC"). The Tax Act has changed the tax impact on CIAC such that CIAC will now be treated as income for tax purposes. Palmetto requests the Public Service Commission of South Carolina ("Commission") approve a provision in its current rate schedule that would allow Palmetto to collect, from persons or entities required to make CIAC, the amount of income tax imposed as a result of the Tax Act. Palmetto has determined this amount to be \$33.24 for every \$100 in CIAC.

ORS agrees Palmetto's requested modification does not change the entire rate structure or overall rate of return. Likewise, the modification does not impact existing customers.

Sincerely,

Jeffrey M. Nelson

cc: Parties of Record (Via U.S. Mail)